

UVM TAX SEMINAR

November 2007

HOMESTEAD DECLARATIONS

Q. Are you terminating the HS-122 reminder notice in March?

- A.** NO. This is one of the “damned if you; damned if you don’t.” If we don’t send a notice ahead of the April 15 deadline, then any subsequent reminder means the property owner can only file a late declaration and is charged a late filing penalty.

When we send out the notice, the Department sets an arbitrary date and any declarations not posted to our tax system by that time is not considered received. There will always be some declarations that were mailed before our date but not posted to our system. We now ask the homeowner to access the Taxpayer Information Line before contacting the practitioner or the Department.

NOTE: In 2008, the Taxpayer Information Line will be available on our web at <http://tax.vermont.gov> or by calling 866-828-2865.

Q. Can the HI-122 be filed through the Department’s web site?

- A.** YES. Both the homestead declaration and property tax adjustment can be filed for free on the Department’s web site. The filing program starts with the homestead declaration. After completing this information, the user must choose whether to go on to the adjustment claim or file only the declaration. The system assigns a filing acknowledgement and confirmation number. Please keep this for your records. If you do not receive a confirmation number, you have not transmitted the information to the Department.

Go to <http://tax.vermont.gov> Filing for 2008 HS-122 will be available January 14, 2008.

Q. Do you need to complete the eligibility questions in Section B of HS-122 if you are filing only Section A, Homestead Declaration?

- A.** NO. To file only the homestead declaration, complete Section A and the homeowner signs the form.

Q. Why is a homestead declaration required each year? Why can’t the process be combined with the property transfer tax return to show new owners?

- A.** The sale of a property is not the only change that affects the school tax rate of a property. The annual homestead declaration updates town grand list information on properties used as a home, properties used for nonresidential purposes, and properties used for both home and business or rental. The different school property rates affect the town’s school budgets and grants.

Q. Some homeowners are getting advice to send in the HS-122 even though the town has not been able to supply the housesite value. Is this ok?

- A.** You can file a homestead declaration, Section A, without the housesite value and separately from the property tax adjustment claim, Section B.

The property tax adjustment claim, Section B, cannot be processed without the housesite value and the homeowner may receive a denial of the claim. Since the adjustment calculation uses the prior year

property last year, the housesite value is on the property tax bill unless the property new construction or not declared a homestead. Please note that if the homeowner intends to file a property tax adjustment claim, Section B, it must be filed no later than the September deadline.

Q. How can a self-employed person amend the business use percentage? Example: More than 25% of housesite is business use in 2006 and taxed at the nonresidential school property tax rate. The business use is lower in 2007. Household income can be amended, can this be adjusted?

A. Only household income can be amended. The school property tax rate is based on the use of the property as of April 1, 2006. When the person files the 2007 homestead declaration, the homestead to nonresidential portion will be adjusted. This is similar to improvements made to a property after assessment on April 1. The town does not change the assessed value until the next year.

The 2007 property tax adjustment is based on the 2006 property tax on the housesite. The 2008 property tax adjustment will be based on the 2007 property tax for the increased housesite value. If the 2008 business use returns to more than 25% of the housesite, the homeowner receives an adjustment on the 2007 value.

Q. My client filed a homestead declaration disclosing that a detached garage was used 100% for business but the town billed the entire parcel at the homestead school property tax rate. Why?

A. It is possible the town overlooked the section on business or rental use of improvements or other buildings on the parcel. The Department sends the town the homestead declaration information but it is informational only. The town listers are not required to use the information. The listers are encouraged to use the best information available to them to make their decisions.

Q. Can a homestead declaration be made on the separate properties of a husband and wife who are married but each own and live in homes in different towns for some part of the entire year?

A. YES, as long as the home is the principal residence of each spouse. See Reg. 1.5811 on domicile. However, if the spouses make a property tax adjustment claim, the household income for each claim must include both spouses' income.

Q. How do you declare more than one homestead declaration when the homestead property is in more than one town?

A. If the homeowner's homestead is in more than one parcel and the land is contiguous, a declaration must be filed for each parcel. Filing multiple declarations can be done:

- Department free, online filing.
- Fed/State efile. Most software vendors allow more than one declaration. If your software does not allow more than one declaration, go to our online program first and file the declaration for the land without the home. Then efile the declaration and property tax adjustment.
- Paper filing. Paper declarations can be filed for the additional declarations. This can be to supplement an electronic filing.

Q. Does the Taxpayer Information Line indicate which sections of HS-122 are filed?

A. YES. You will know if a declaration is filed and for what SPAN or SPANs. The information line also indicates whether a property tax adjustment claim was or was not made in the filing. **REMEMBER:** The Taxpayer Information Line will be available in 2008 on our website

<http://tax.vermont.gov>

PROPERTY TAX ADJUSTMENTS

Q. Can the HI-122 be filed through the Department's web site?

A. YES. Both the homestead declaration and property tax adjustment can be filed for free on the Department's web site. The filing program starts with the homestead declaration. After completing this information, the user must choose whether to go on to the adjustment claim or file only the declaration. The system assigns a filing acknowledgement and confirmation number. Please keep this for your records. If you do not receive a confirmation number, you have not transmitted the information to the Department.

Go to <http://tax.vermont.gov> Filing for 2008 HS-122 will be available January 14, 2008.

Q. Some homeowners are getting advice to send in the HS-122 even though the town has not been able to supply the housesite value. Is this ok?

A. You can file a homestead declaration, Section A, without the housesite value and separately from the property tax adjustment claim, Section B.

The property tax adjustment claim, Section B, cannot be processed without the housesite value and the homeowner may receive a denial of the claim. Since the adjustment calculation uses the prior year property last year, the housesite value is on the property tax bill unless the property new construction or not declared a homestead. Please note that if the homeowner intends to file a property tax adjustment claim, Section B, it must be filed no later than the September deadline.

Q. If you file the HS-122 on the Department's online program with estimated household income by due date, can you efile an "amended" HS-122 with corrected household income when the income return is efiled?

A. YES, as long as you complete the property tax adjustment claim, Section B, of the HS-122 and the HI-144 in the original filing and that filing by the September deadline. When you Fed/State efile an HS-122 with the amended HI-144, our system identifies that HS-122 as a duplicate. The HS-122 goes for examiner review and the examiner corrects household income on the original filing. The other option is to send or fax just the HI-144 marked "AMENDED" at the top to the Department without filing the HS-122 again.

Either way works, but please remember NOT to attach an amended HI-144 form to an income tax return filed by paper.

Q. We efile most VT returns. Is it OK to efile the original income tax return with the "amended" HI-144 if this is the original HI-144 filing?

A. NO. There has to be an original to amend. Filing the HS-122 without the HI-144 is not a complete filing and the client may receive notice of denial. See the previous question on efilings the original and corrected HI-144. Remember, the original HS-122 and HI-144 must be filed by the September deadline to have the option to amend the household income.

- Q. How can a self-employed person amend the business use percentage? Example: More than 25% of housesite is business use in 2006 and taxed at the nonresidential school property tax rate. The business use is lower in 2007. Household income can be amended, can this be adjusted?**
- A.** Only household income can be amended. The school property tax rate is based on the use of the property as of April 1, 2006. When the person files the 2007 homestead declaration, the homestead to nonresidential portion will be adjusted. This is similar to improvements made to a property after assessment on April 1. The town does not change the assessed value until the next year.
- The 2007 property tax adjustment is based on the 2006 property tax on the housesite. The 2008 property tax adjustment will be based on the 2007 property tax for the increased housesite value. If the 2008 business use returns to more than 25% of the housesite, the homeowner receives an adjustment on the 2007 value.
- Q. Can a husband and wife who are married but each own and live a home in different towns for some part of the entire year each make a property tax adjustment claim?**
- A.** YES, as long as the home is the principal residence of each spouse. See Reg. 1.5811 on domicile. However, the household income for each claim must include both spouses' income.
- Q. Can each spouse make a property tax adjustment claim if each spouse has his or her own residence, the other spouse is not a joint owner of the other's property, and they are not legally separated?**
- A.** YES, as long as the home is the principal residence of each spouse. See Reg. 1.5811 on domicile. However, the household income for each claim must include both spouses' income.
- Q. Is education property tax adjustment amount at the town offices public knowledge?**
- A.** The amount credited to the property tax bill is public information similar to any payment made by the owner. All the information filed with the Vermont Department of Taxes remains confidential. None of the information on how the Department arrived at that amount is public.
- The Department sends a file to the towns that contains the dollar amount to credit toward the property tax bill, the owner's name and the school parcel account number (SPAN). A property tax adjustment amount may result from a homeowner applying an income tax refund, receiving a property tax adjustment, or the adjustment is reduced by an offset. You also cannot assume that a lack of a property tax adjustment means the owner's household income is more than \$106,000.
- Q. The Secretary of State says that the property tax adjustment payment appearing on the property tax bill is not public information. Vermont League of Cities and Towns says that the Attorney General's opinion is simply an opinion. Some town attorneys are advising municipalities not to make the information available to the public. What's correct?**
- A.** Both the Vermont Department of Taxes and the Vermont Attorney General's Office issued formal opinions that the payment information at the town level is public information. These opinions relied upon testimony during the legislative process that considered the issue and deemed the information to be public. Both opinions are advisory and not binding; however our courts will follow such an opinion when deciding an issue. Okemo Mountain, Inc. Vermont Department of Forests, Parks and Recreation v. Town of Ludlow John Lysobey, et al., 171 Vt. 201.

- Q. Our town decided not to disclose the property tax adjustment amount to third parties. How do we get the information to adjust property taxes for Federal Schedule A?**
- A.** There are two ways to get the information. One is to use the calculation worksheet on our web site. The other is to have your client bring in his or her property tax bill. The property tax adjustment amount will show on the property tax bill as a credit.
- Q. If an income sensitivity eligible homeowner does not get a reduced tax bill for whatever reason, can the State assist in getting an escrow agent's required monthly payment reduced?**
- A.** We do not have any authority over the escrow companies. The homeowner needs to discuss the issue with the escrow company. The homeowner can also check with the Vermont Department of Banking at 802 828-3307 to see what rules an escrow company must follow in Vermont.
- Q. If a taxpayer properly and timely filed an HS-122 reporting the amounts from the 2006 property tax bill, can the Department later reduce the property tax adjustment amount based on a summer 2007 re-appraisal by the town?**
- A.** Generally, no. The 2007 property tax adjustment calculation used 2006 household income and the 2006 values from the 2006/2007 property tax bill.
- Q. Does the Taxpayer Information Line indicate which sections of HS-122 are filed?**
- A.** YES. You will know if a declaration is filed and for what SPAN. The information line also states whether a property tax adjustment claim was or was not made in the filing.
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HOUSEHOLD INCOME

- Q. When the household income is not known on April 15, what are the repercussions to the tax practitioner for "guess-timating" household income?**
- A.** The practitioner has two options for this situation:
1. File the Homestead Declaration by April 15. Then wait to file the Property Tax Adjustment Claim between April 16 and September 2 when the household income is known.
 2. File both the Homestead Declaration and Property Tax Adjustment Claim by April 15. Use the best available information to determine household income such as the same calculation used to determine if income tax is due on an extension. Some practitioners use the previous year's household income and others use the maximum household income to prevent an adjustment being issued until the real household income is known.
- In either situation, the household income may be amended for up to three years from the original HI-144 filing.
- The repercussions to the tax practitioner are:
1. Delaying the filing of the claim means the client does not receive an adjustment towards his or her property tax bill until it is filed. You also must remember to file the claim! Please remember that claims filed between April 15 and September 2 carry a \$15 late filing charge deducted from the adjustment amount.

2. “Guess-timating” a lower household income means the client is responsible to repay the excess adjustment amount to the Department. If the bill occurs after September 2, interest and a 10% penalty apply.
3. “Guess-timating” the maximum household income means no adjustment issued until the amended HI-144 is filed. The client is responsible for paying the property tax bill to the town. If the amended HI-144 results in an adjustment, the Department sends the adjustment to the town. The town refunds the overpayment of the property tax bill to your client.
4. “Guess-timating” a higher household income means a smaller adjustment issued until the amended HI-144 is filed. The client is responsible for paying the balance of the property tax bill to the town. If the amended HI-144 results in additional adjustment, the Department sends it to the town. The town refunds the overpayment of the property tax bill to your client.

Q. Is the income of a non-resident spouse included in household income?

A. YES, with one exception*. The inclusion of a spouse’s (or civil union partner’s) income is determined by 32 V.S.A. §6061(4)

“Household Income” means modified adjusted gross income received in a calendar year by

(A) all persons of a household while members of that household; and

***(B)** the spouse of the claimant who is not a member of that household and who is not legally separated from the claimant, unless the spouse is at least 62 years of age and has moved to a nursing home or other care facility with no reasonable prospect of returning to the homestead.

For the exception in section (B), the spouse moved to a nursing home or care facility cannot make a renter rebate claim if the spouse in the homestead makes a property tax adjustment claim.

Q. Is a spouse’s income required to be included in household income if each spouse has his or her own residence, the other spouse is not a joint owner of the other’s property, and they are not legally separated?

A. YES.

Q. Is a spouse’s income required in household income if the spouses maintain separate houses in different states, they are married, they file separate tax returns, and they only live together for two months of the year?

A. YES. The only time a spouse’s income can be excluded from household income for purposes of the property tax adjustment or renter rebate claim is when the spouses are legally separated. The location of the spouse’s homes or income tax filing status does not affect this requirement.

Q. What is legally separated under Vermont law?

A. Legal separation is an order from a court that has the authority to grant an absolute divorce or civil union dissolution that discusses the terms of the separation, financial obligations and disposition of assets of the parties. A preliminary order in a divorce case or civil union dissolution may also be accepted as evidence of legal separation.

Q. How can you get the non-legally separated spouse’s income if that spouse’s whereabouts is unknown; have no contact with him or her; or he or she refuses to disclose their income?

A. Attach a letter to your claim stating you cannot obtain your separated spouse's income. Please

include the name and social security number of the separated spouse. The Department will determine the spouse's income on information available.

Q. What if a roommate refuses to provide the person making a property tax adjustment or renter rebate claim with his or her income and/or social security number?

A. Attach a letter to your claim stating you cannot obtain the income. Please include the name and social security number of the roommate. The Department will determine the roommate's income on information available.

Q. If a claimant qualifies to transfer a distribution from an IRA to a charity, this is not subject to Federal income tax. Must this be included in household income?

A. NO. Household income starts with Federal Adjusted Gross Income. Only items listed in the statutory definition of household income are included. This is not an exempted capital gain and not otherwise specified as an inclusion for household income.

Q. Is the amount for social security and medicare taxes based on the W-2 used or based on income included in household income?

A. For the most part, the social security and medicare taxes on the W-2 are correct. However, if a portion of income is excluded such as income earned by a full-time dependent student or income received by a dependent parent or developmentally disabled adult child, these taxes need to be prorated for the income actually reported.

Q. Is the annual subsidy received from the State of Vermont for adoption of a child included in household income?

A. Adoption subsidy is generally not required to be included as part of Federal taxable income. If the subsidy is not part of Federal adjusted gross income, it is not part of household income. The exemption for State payments for foster care is under Title 33 Chapters 49 and 55 and only covers custody by the State and not adoption.

Q. The partial exemption for gifts of cash or cash equivalent and the exclusion for gifts from nongovernmental sources seem to be in conflict. How does this work?

A. Gifts of cash or cash equivalents mean money or instruments that can be easily converted into money. For example, stocks, bonds, treasury obligations, or certificates of deposit. There is an exemption for the first \$6,500 received by the household.

Gifts from nongovernmental sources generally come from nonprofit assistance agencies such as churches, Red Cross, Salvation Army, food banks. The gift may be in the form of cash to pay rent or to assist with transportation costs or to buy heating fuel. The nongovernmental source may provide temporary living accommodations if the home is not habitable, or supply clothing, or items needed for schooling. These gifts meet a specific and sometimes a crisis need.

Q. What is the written homesharing agreement referred to in the exclusions to household income?

A. A homesharing agreement is a written contract between the homeowner and the person(s) who will be living in the home brokered by a homeshare agency. See <http://homesharevermont.org> for more information.

- Q. What are the expenses referred to in the definition of “support money” that provided the means to live in the homestead or rental unit?**
- A.** Support money is the “but for” as in one could not live in the homestead or rental unit without the support money. For instance, if one’s income does not appear to cover the basic living expenses such as property tax or rent, utilities, food and another person sends money or pays directly for some of these living expenses, this would be considered support money. This is only an example and the determination of support money depends largely on an individual’s situation.
- Q. What information should a practitioner ask a client who is a caregiver for a developmentally disabled person to determine income that should be reported for household income purposes?**
- A.** The payments to the caregiver are excluded from household income. However, income received by the developmentally disabled person and the room/board paid to the caregiver are included in household income. The room/board often is listed in the contract. The guardian of the developmentally disabled person will have the information on income received.
Note: If the room/board is paid with the income received by the developmentally disabled person, reduce the income received and report the room/board.
- Q. Is Vermont working with the software companies to automate the social security and medicare taxes adjustment for excluded income?**
- A.** YES. We keep the software companies informed of items that can be programmed or need changes. However, we can advise but not mandate action.

INCOME TAX

- Q. What documentation is needed to support the Vermont Higher Education Investment Plan income tax credit?**
- A.** The Department receives information from VSAC of plan holders. If there is a discrepancy between this information and the return, the Department requests the year-end statement the taxpayer receives from the plan administrator, TIAA-CREF.
- Q. Is this situation eligible for a credit for taxes paid to another state?
 Husband is Vermont resident and wife is resident of another state. There is no legal separation and taxpayers file income tax returns jointly. The taxpayers file IN-113 to allocate Vermont income of their Vermont sourced income. The wife files a resident return in her home state and pays income tax to that state.**
- A.** Unless the husband who is a Vermont resident pays income tax another state, NO. By filing the IN-113, the nonresident wife’s income is excluded from Vermont income tax. The husband could file married filing separately for Vermont purposes. See instructions in the Vermont income tax booklet under “Filing Status.”
- Q. Must a civil union couple file married jointly or separately if one lives in VT and one lives in NH?**
- A.** YES. Civil union status in Vermont is the same as married. They may file civil union filing jointly and allocate the income between VT and NH on IN-113. They may file civil union filing separately for the one living in VT. They complete a Federal income tax return for VT purposes using the rules, deductions and exemptions available for the filing status selected.

- Q. We don't want to file income tax returns with balance due electronically any more because of the bills and notices that get issued even though payments have been made. Why does this happen?**
- A.** Previous years, the Department sent bills and notices out to taxpayers who showed an underpayment of estimated tax. Because interest and penalty charges on the underpayment accrues from the quarterly due dates to the date of payment, the Department wanted to give the taxpayer an opportunity to pay early and avoid additional charges.
- The Department revised its procedure last year to delay billing until all income tax returns and payments received in April were processed. The bills did not get issued; however, the underpayment notice letter slipped out.
- For 2008 processing year, no bills or underpayment notice letters will be issued until all income tax returns and payments received in April are processed. This should eliminate most (nothing is 100%!) of your issue. Please note that this arrangement means that taxpayers who did not pay or did not schedule a payment by April 15 will receive a first bill with interest and penalty charges already accrued.
- Q. Does the Vermont Department of Taxes accept the IRS extension as satisfying the extension requirement?**
- A.** The Department accepts either the Vermont form or the IRS form for an extension of time to file. Vermont needs to have the extension recorded in its records. Otherwise, the \$50 late filing penalty automatically applies to a Vermont income tax return received more than 60 days after the original due date.
- Q. Is there a way to note on the VT income tax return that the taxpayer annualized income for the IRS and prevent notices going to the taxpayer?**
- A.** Fed/state efilings transmits information that Form 2210 was filed federally. The examiners receive the information daily and adjust those returns. Because the total number of taxpayers who annualize is less than 100, programming to our processing system would not be cost effective.
- Q. Some states do not want an extension unless tax is due. Would you recommend this to the Vermont Legislature?**
- A.** Before answering, research needs to be done to determine the situations where other states forego the extension request.

RENTER REBATE

- Q. The Department separates the renter rebate from the income tax refund and the taxpayer receives the rebate much later. If this is the procedure, can the renter rebate be removed from the income tax return and not calculated as part of the refund?**
- A.** This is not usual processing. Separating the renter rebate from the taxpayer's total refund calculated on the income tax return means there was a problem with the renter rebate claim. The Department issues the income tax refund rather than hold it until the renter rebate problem is resolved. Removing the renter rebate from the income tax return requires a law change. The current law mandates the renter rebate be available as a credit against the income tax.
- Q. A single person rents for the first 11 months of the year. He purchases a home on December 1 and his girlfriend moves into the home with him in December. How does he file his renter rebate?**

- A. A claimant for a renter rebate must rent for all 12 months of 2007 to be eligible. The person cannot make a renter rebate claim.*

The person will be eligible to declare the property as a homestead and make a property tax adjustment claim for 2008. Since the 2008 property tax adjustment uses 2007 household income, the household income will include his income plus the girlfriend's income for December and the income of anyone else who lived with him in 2007 in his rental unit or new home.

* The only exception to the 12 month rent rule is when a homeowner sells before April 1 and rents for the remainder of the calendar year.

Q. What if the landlord refused to sign the landlord certificate?

- A. The renter can still file a renter rebate claim. Send in the completed landlord certificate along with cancelled checks and/or receipts for the rent payments. Include the landlord's name, address and telephone number.

Q. Why isn't Form LC-142, Landlord Certificate, in the income tax booklet?

- A. We dropped LC-142 from the booklet for two reasons.

1. We discovered that some landlords were ordering a booklet for the number of certificates needed, tearing out the landlord certificate, and then throwing away the rest of the booklet. We have experienced a decline in the number of booklets ordered and thus, the number needed to be printed.
2. Historically, the renter rebate program runs a 40% filing error rate. We discovered that some renters bypassed the landlord and completed the certificate themselves.

Q. When will Form PR-141, Renter Rebate Claim, be included in forms that can be electronically filed?

- A. We are working on it. ETA – couple years.

MISCELLANEOUS

Q. Can an employee of the Vermont Department of Taxes practice as a paid tax practitioner?

- A. NO. The Vermont Department of Taxes' code of conduct determines this to be a conflict of interest. Employees may prepare income tax returns for family only and cannot charge a fee. Employees also may volunteer to do tax preparation as part of a community program such as community action or VITA-TCE.

Employees are prohibited from taking paid employment for any job involving taxes. Employees must receive prior approval from the Department before accepting second jobs of any kind.

Q. I understand the Department has been working on improving the quality and clarity of the letters sent to taxpayers. How is this going?

- A. During the summer of 2007, the Department invited members from the VT Society of CPAs and VT Tax Practitioner Association to assist in our review of the letters. The VT Tax Practitioner Association provided some input. Department staff worked diligently to provide clear explanations to let taxpayers know what is expected of them. The letters and explanations from the homestead declaration, property

tax adjustment claim and renter rebate claim were revamped. The proof will be in the letters! Please get back to Gloria Hobson with feedback

- Q. Will the status of software vendors and their approval progress be on the Department's web site?**
- A.** YES. Go to the practitioner section.
- Q. We all know that there are at least 5 individuals working at the Tax Department under the name "Frank Carriveau." Why is there only one allowed out in public?**
- A.** While Frank does the work of 5 individuals, there is the one and only Frank Carriveau.
- Q. Will the Vermont Department of Taxes offer the taxpayer information on the automated taxpayer information line online?**
- A.** YES. Beginning in 2008, the same topics on the telephone information line will also be available on our web site.
- Q. Would you please instruct your employees to include their name when they answer the telephone.**
- A.** That is standard procedure in the Department. A reminder will be forwarded to division directors to remind their staff.
- Q. Have there been any changes to the February 2007 VT Tax Guidelines for Military Personnel? Will the document be included on the website?**
- A.** The most recent version is dated November 2007 and contains updates for changes in the household income law. The updated version will be posted on our web.

FORMS and ELECTRONIC FILING

- Q. Do you notify preparers that their scan band returns cannot be processed before you bill the \$25 processing fee?**
- A.** If you sent returns that could not be processed, you will know. The Department sends notification to preparers when there are problems with their filings. You will be told specifically what is wrong and given an opportunity to correct the problem. If the problem continues, the Department may send the returns back to you or charge the \$25 processing fee to put the returns into a format we can process.
- Q. What effort is the Department making to get all forms accepted electronically?**
- A.** The Department currently accepts electronically the income tax forms, homestead declaration, property tax adjustment claim, and business taxes forms (sales & use, meals & room, and withholding). We recently signed a contract for a new processing system to handle C corporations, S corporations, LLC and Partnerships as well as some other miscellaneous taxes. We anticipate being able to accept corporate forms and business entity forms in 2010. We will continue to add forms based on cost/benefit analysis for programming vs processing.
- Q. Is there an application for the Governor's 90% Club or are you automatically enrolled / eligible?**

- A. If you file 150 or more VT returns and 90% or more of those returns are done through efile, you are automatically a member of the Governor's 90% Club. You receive a notice, invitation to the reception and a frame certificate of achievement.
- Q. How is the 90% of returns electronically filed calculated?**
- A. The Department uses your filings from January to April 15. Paper returns with civil union status or renter rebates are deducted from the totals. The percentage is the ratio of returns that could be electronically filed to those electronically filed. Each preparer receives a summary of their filing statistics and has an opportunity to provide information if there were other extenuating circumstances where an otherwise efile eligible return could not be efiled.
- Q. Can the VT Application for Business Tax Account be put on the Department's web site as a fill-in form?**
- A. We are working on it.
- Q. Will there be more software vendors for the corporate and business entity returns for the 2008 processing year? Does the Department have any influence with Intuit to encourage them to offer software for VT corporate tax returns?**
- A. Software vendors select the state forms they are willing to support. The Department makes the forms and approval process available but we cannot mandate that software vendors support our forms. VT is not able to accept electronic filing of these forms at present, and the software vendors may include the corporate and business entity returns when we can take electronic filing in 2010.
- Q. If I have to complete all the information for sales and use tax online to make a payment, why isn't this considered to be a return filing?**
- A. If you are using VTBizFile, you are filing the return. You can file and remit the sales and use tax collected for the state with this free, online program on our web site. Please check out <https://secure.vermont.gov/bizfile/index>